



ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R09-OAR-2018-0535; FRL-9690-02-R9]

Withdrawal and Partial Approval / Partial Disapproval of Clean Air Plans; San Joaquin Valley, California; Contingency Measures for 2008 Ozone Standards

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is taking final action to withdraw the portion of a March 25, 2019 final action conditionally approving state implementation plan (SIP) submissions from the State of California under the Clean Air Act (CAA or “Act”) to address contingency measure requirements for the 2008 ozone national ambient air quality standards (NAAQS or “standards”) in the San Joaquin Valley, California ozone nonattainment area. The SIP submissions include the portions of the “2016 Ozone Plan for 2008 8-Hour Ozone Standard” and the “2018 Updates to the California State Implementation Plan” that address the contingency measure requirement for San Joaquin Valley. Simultaneously, the EPA is taking final action to partially approve and partially disapprove these SIP submissions. These actions are in response to a decision issued by the U.S. Court of Appeals for the Ninth Circuit (*Association of Irrigated Residents v. EPA*, Ninth Circuit, No. 19-71223, opinion filed August 26, 2021) remanding the EPA’s conditional approval of the contingency measure SIP submissions back to the Agency for further proceedings consistent with the decision.

DATES: This final rule is effective on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA-R09-OAR-2018-0535. All documents in the docket are listed on the <https://www.regulations.gov> website. Although listed in the index, some information is not publicly available, e.g.,

Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy form. Publicly available docket materials are available through <https://www.regulations.gov>, or please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section for additional availability information. If you need assistance in a language other than English or if you are a person with disabilities who needs a reasonable accommodation at no cost to you, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section.

FOR FURTHER INFORMATION CONTACT: Laura Lawrence, EPA Region IX, (415) 972-3407, lawrence.laura@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document, “we,” “us,” and “our” refer to the EPA.

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I. Summary of the Proposed Action

On May 24, 2022, the EPA proposed to withdraw the portion of a March 25, 2019 final action conditionally approving SIP submissions from the State of California under the CAA to address contingency measure requirements for the 2008 ozone NAAQS in the San Joaquin Valley, California ozone nonattainment area.¹ The SIP submissions include the portions of the 2016 Ozone Plan for 2008 8-Hour Ozone Standard (“2016 Ozone Plan”) and the 2018 Updates to the California State Implementation Plan (“2018 SIP Update”) that address the contingency measure requirement for San Joaquin Valley. In the same rule, the EPA also proposed to partially approve and partially disapprove these SIP submissions. Specifically, consistent with a

¹ 87 FR 31510. The San Joaquin Valley nonattainment area for the 2008 8-hour ozone NAAQS consists of San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, and Kings counties, and the western portion of Kern County.

2021 decision by the Ninth Circuit remanding the EPA’s previous conditional approval of the contingency measure element, the EPA proposed to disapprove the submissions for failure to meet the contingency measure SIP requirements under CAA sections 172(c)(9) and 182(c)(9), except for a state measure referred to as the “Enhanced Enforcement Activities Program” measure for which the EPA proposed approval based on SIP-strengthening grounds.

In our proposed rule, we provided background information on ozone and its precursor emissions (i.e., volatile organic compounds and oxides of nitrogen), common sources of ozone precursor emissions, and health effects associated with elevated ozone levels. We also provided background information on the EPA’s establishment of the ozone NAAQS, including the ozone NAAQS that we established in 2008 (“2008 ozone NAAQS”), the SIP submissions that are required under the CAA for areas designated as nonattainment for the 2008 ozone NAAQS, and the roles and responsibilities of the California Air Resources Board (CARB) and the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD or “District”).

We also discussed the specific SIP submission requirements under CAA sections 172(c)(9) and 182(c)(9) for contingency measures. In short, contingency measures are additional controls or measures to be implemented in the event the area fails to make reasonable further progress (RFP) or to attain the NAAQS by the attainment date. Among other requirements, contingency measures must be designed so as to be implemented prospectively; already-implemented control measures may not serve as contingency measures even if they provide emissions reductions beyond those needed for any other CAA purpose and should provide for emissions reductions approximately equivalent to one year’s worth of RFP.

In our proposed rule, we described the State of California’s SIP submissions for the San Joaquin Valley “Extreme” nonattainment area for the 2008 ozone NAAQS, including the District’s 2016 Ozone Plan and the San Joaquin Valley portion of the 2018 SIP Update. We noted that, in 2019, the EPA approved the 2016 Ozone Plan and the relevant portion of the 2018 SIP Update as meeting all the applicable statutory and regulatory requirements for the San

Joaquin Valley Extreme nonattainment area for the 2008 ozone NAAQS, with the exception of the contingency measure requirement.²

As described further in the proposed rule, the contingency measure element of the 2016 Ozone Plan, as modified by the 2018 SIP Update, includes the Enhanced Enforcement Activities Program and an evaluation of the surplus emissions reductions from already-implemented measures.³ In addition, the District and CARB made commitments to adopt and submit a contingency provision⁴ as part of the District's architectural coatings rule within a year of the final conditional approval. Once adopted, submitted, and approved, the contingency provision in the architectural coatings rule would become a third part of the contingency measure element. The EPA estimated that the contingency measure, i.e., the contingency provision in the architectural coatings rule, would achieve emissions reductions equivalent to approximately 9 percent of one year's worth of RFP.

As discussed in our proposed rule, we conditionally approved the contingency measure element in our March 25, 2019 final rule based on the District's and CARB's commitments and found that the one contingency measure (i.e., once adopted, submitted, and approved by the EPA) would be sufficient for the State and District to meet the contingency measure requirement for San Joaquin Valley for the 2008 ozone NAAQS, notwithstanding expected emissions reductions from the measure equivalent to only a fraction of one year's worth of RFP.⁵ In our March 25, 2019 final rule, we found the reductions from the one contingency measure to be sufficient when considered together with the substantial surplus emissions reductions we anticipated to occur in the future from already-implemented measures and from other approved

² 84 FR 3302 (February 12, 2019), corrected at 84 FR 19680 (May 3, 2019); and 84 FR 11198 (March 25, 2019).

³ 83 FR 61346, at 61356 (November 29, 2018). In this context, "surplus" emissions reductions refer to emissions reductions that are not needed to meet other SIP requirements, such as the RFP and attainment demonstrations.

⁴ The specific contingency provision that the District committed to adopt is the removal of the exemption for architectural coatings that are sold in containers with a volume of one liter (1.057 quarts) or less, i.e., if triggered by an EPA determination of failure to meet an RFP milestone or failure to attain the 2008 ozone NAAQS by the applicable attainment date. On April 23, 2020, CARB submitted the District's architectural coatings rule (SJVUAPCD Rule 4601), as amended to include the contingency provision, to the EPA as a SIP revision.

⁵ 84 FR 11198, at 11206 (March 25, 2019).

measures in the plan.⁶ In our March 25, 2019 final rule, we approved CARB's Enhanced Enforcement Activities Program measure as a SIP-strengthening measure rather than as a contingency measure.⁷

In our May 24, 2022 proposed rule, we noted that our final conditional approval of the contingency measure element was the subject of a legal challenge and that, in a 2021 Ninth Circuit decision in the *Association of Irrigated Residents v. EPA* case, the Court remanded the conditional approval action back to the Agency.⁸ In so doing, the Court found that, by taking into account the emissions reductions from already-implemented measures to find that the contingency measure would suffice to meet the applicable requirement, the EPA was circumventing the court's 2016 holding in *Bahr v. EPA*.⁹ The court rejected the EPA's arguments that the Agency's approach was grounded in its long-standing guidance and was consistent with the court's 2016 *Bahr v. EPA* decision. With respect to CARB's Enhanced Enforcement Activities Program measure, the court upheld the EPA's approval of it as SIP-strengthening and held that the measure was enforceable according to its terms.

In our May 24, 2022 proposed rule, we found that, if we do not take into account surplus emissions reductions, then the one contingency measure (the contingency provision in the District's architectural coatings rule) must shoulder the entire burden of achieving roughly one year's worth of RFP (if triggered) but would only provide approximately 9 percent of one year's worth of progress. Because the contingency measure would not provide reductions roughly equivalent to one year's worth of RFP, we found that the conditional approval could no longer be supported, and we proposed to withdraw our previous conditional approval of the contingency measure element on that basis. For the same reasons that justify the proposed withdrawal of the

⁶ Id.

⁷ Id.

⁸ *Association of Irrigated Residents v. EPA*, 10 F.4th 937 (9th Cir. 2021).

⁹ *Bahr v. EPA*, 836 F.3d 1218, at 1235-1237 (9th Cir. 2016). Under the *Bahr* holding, contingency measures under CAA sections 172(c)(9) and 182(c)(9) must be designed so as to be implemented prospectively; already-implemented control measures may not serve as contingency measures even if they provide emissions reductions beyond those needed for any other CAA purpose.

conditional approval, we proposed to disapprove the contingency measure element except for the Enhanced Enforcement Activities Program measure.

With respect to the Enhanced Enforcement Activities Program measure, in our May 24, 2022 proposed rule, we proposed approval for the same reasons that we provided in the March 25, 2019 final rule and that were upheld by the Ninth Circuit. Namely, while we find that the Enhanced Enforcement Activities Program measure fails to meet the requirements for a stand-alone contingency measure, we also find that it strengthens the SIP by triggering certain actions, upon a failure to meet RFP or a failure to attain by the applicable attainment date, that may lead to emissions reductions that would not otherwise be achieved, thereby contributing in part to any remedy for an RFP shortfall or failure to attain.

For more background information and a more extensive discussion of the rationale for our proposed action, please see our May 24, 2022 proposed rule.

II. Public Comments and EPA Responses

Our proposed rule provided for a 30-day comment period during which we received one response, which is a letter supporting our proposed action.¹⁰

III. Final Action

For the reasons summarized above and presented in more detail in the proposed rule, we are taking final action to withdraw our March 25, 2019 conditional approval of the contingency measure element of the 2016 Ozone Plan, as modified by the 2018 SIP Update, for the San Joaquin Valley for the 2008 ozone NAAQS. We are also taking final action to partially approve and partially disapprove the contingency measure element of the 2016 Ozone Plan, as modified by the 2018 SIP Update, with respect to the contingency measure requirements under CAA sections 172(c)(9) and 182(c)(9). Specifically, we are disapproving the contingency measure

¹⁰ Comment letter dated June 22, 2022, from the Association of Irrigated Residents and the Central California Environmental Justice Network, including two exhibits: the American Lung Association's report titled "State of the Air 2022" and the SJVUAPCD Executive Director's report to the SJVUAPCD Governing Board for the June 16, 2022 Board meeting titled "Item Number 13: Receive Update on Attainment Planning Efforts for Federal Particulate and Ozone Standards."

element except for the Enhanced Enforcement Activities Program measure. We are approving the Enhanced Enforcement Activities Program measure because, while we find that the Enhanced Enforcement Activities Program measure fails to meet the requirements for a stand-alone contingency measure, we also find that it strengthens the SIP by triggering certain actions, upon a failure to meet RFP or failure to attain by the applicable attainment date, that may lead to emissions reductions that would not otherwise be achieved, thereby contributing in part to any remedy for an RFP shortfall or failure to attain.

Through this final action, we are revising the section of the CFR where the California SIP is identified by removing the contingency measure element of the 2016 Ozone Plan, as modified by the 2018 SIP Update, that we previously approved (conditionally), except for the Enhanced Enforcement Activities Program measure.¹¹ Lastly, we are making a protective finding under the transportation conformity rule because, notwithstanding the partial disapproval of the contingency measure element, the 2016 Ozone Plan, as modified by the 2018 SIP Update, reflects adopted control measures and contains enforceable commitments that fully satisfy the emission reduction requirements for RFP and attainment for the 2008 ozone NAAQS.¹²

As a consequence of the partial disapproval of the contingency measure element, within 24 months of the effective date of this action, the EPA must promulgate a federal implementation plan under section 110(c) unless we approve subsequent SIP submissions that correct the plan deficiencies. In addition, under 40 CFR 52.35, the offset sanction in CAA section 179(b)(2) will be imposed 18 months after the effective date of this action, and the highway funding sanction in CAA section 179(b)(1) will be imposed six months after the offset sanction is imposed. A

¹¹ We are also revising 40 CFR 52.220(c)(514)(ii)(A)(2) to clarify that the applicability of CARB's Enhanced Enforcement Activities Program measure is limited to San Joaquin Valley and limited to the 2008 ozone NAAQS.

¹² 40 CFR 93.120(a)(3). Without a protective finding, the final disapproval would result in a conformity freeze, under which only projects in the first four years of the most recent conforming Regional Transportation Plan (RTP) and Transportation Improvement Programs (TIP) can proceed. Generally, during a freeze, no new RTPs, TIPs, or RTP/TIP amendments can be found to conform until another control strategy implementation plan revision fulfilling the same CAA requirements is submitted, the EPA finds its motor vehicle emissions budget(s) adequate pursuant to § 93.118 or approves the submission, and conformity to the implementation plan revision is determined. Under a protective finding, the final disapproval of the contingency measures element does not result in a transportation conformity freeze in the San Joaquin Valley ozone nonattainment area and the metropolitan planning organizations may continue to make transportation conformity determinations.

sanction will not be imposed if the EPA determines that a subsequent SIP submission corrects the identified deficiencies before the applicable deadline.

IV. Statutory and Executive Order Reviews

Additional information about these statutes and Executive Orders can be found at <https://www2.epa.gov/laws-regulations/laws-and-executive-orders>.

A. Executive Order 12866, Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a significant regulatory action and was therefore not submitted to the Office of Management and Budget (OMB) for review.

B. Paperwork Reduction Act

This action does not impose an information collection burden under the provisions of the Paperwork Reduction Act, 44 U.S.C. 3501 et. seq., because the partial SIP disapproval action under section 110 and subchapter I, part D of the Clean Air Act will not in-and-of itself create any new information collection burdens but simply disapproves portions of certain state plans submitted for inclusion into the SIP. Burden is defined at 5 CFR 1320.3(b).

C. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and small governmental jurisdictions. For purposes of assessing the impacts of this rule on small entities, small entity is defined as: (1) a small business as defined by the Small Business Administration's (SBA) regulations at 13 CFR 121.201; (2) a small governmental jurisdiction that is a government of a city, county, town, school district or special district with a population of less than 50,000; and (3) a small organization that is any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.

After considering the economic impacts of this action on small entities, I certify that this action will not have a significant impact on a substantial number of small entities. This rule does not impose any requirements or create impacts on small entities. The partial SIP disapproval action under section 110 and subchapter I, part D of the Clean Air Act will not in-and-of itself create any new requirements but simply disapproves portions of certain state plans submitted for inclusion into the SIP. Accordingly, it affords no opportunity for the EPA to fashion for small entities less burdensome compliance or reporting requirements or timetables or exemptions from all or part of the rule. The fact that the Clean Air Act prescribes that various consequences (e.g., higher offset requirements) may or will result from disapproval actions does not mean that the EPA either can or must conduct a regulatory flexibility analysis for this action. Therefore, this action will not have a significant economic impact on a substantial number of small entities.

D. Unfunded Mandates Reform Act

This action contains no federal mandates under the provisions of Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), 2 U.S.C. 1531–1538 for state, local, or tribal governments or the private sector. The EPA has determined that the partial disapproval action does not include a federal mandate that may result in estimated costs of \$100 million or more to either state, local, or tribal governments in the aggregate, or to the private sector. This action disapproves portions of certain pre-existing plans under state or local law and imposes no new requirements. Accordingly, no additional costs to state, local, or tribal governments, or to the private sector, result from this action.

E. Executive Order 13132, Federalism

Executive Order 13132, entitled “Federalism” (64 FR 43255, August 10, 1999), requires the EPA to develop an accountable process to ensure “meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications.” “Policies that have federalism implications” is defined in the Executive Order to include regulations that have “substantial direct effects on the States, on the relationship between the

national government and the States, or on the distribution of power and responsibilities among the various levels of government.” This action does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132, because it merely disapproves portions of certain state plans for inclusion into the SIP and does not alter the relationship or the distribution of power and responsibilities established in the Clean Air Act. Thus, Executive Order 13132 does not apply to this action.

F. Executive Order 13175, Coordination with Indian Tribal Governments

This action does not have tribal implications, as specified in Executive Order 13175 (65 FR 67249, November 9, 2000), because the SIP that the EPA is partially approving and partially disapproving would not apply on any Indian reservation land or in any other area where the EPA or an Indian tribe has demonstrated that a tribe has jurisdiction, and the EPA notes that it will not impose substantial direct costs on tribal governments or preempt tribal law. Thus, Executive Order 13175 does not apply to this action.

G. Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks

The EPA interprets Executive Order 13045 (62 FR 19885, April 23, 1997) as applying only to those regulatory actions that concern health or safety risks, such that the analysis required under section 5–501 of the Executive Order has the potential to influence the regulation. This action is not subject to Executive Order 13045 because it is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997). This partial SIP disapproval action under section 110 and subchapter I, part D of the Clean Air Act will not in-and-of itself create any new regulations but simply disapproves portions of certain state plans submitted for inclusion into the SIP.

H. Executive Order 13211, Actions That Significantly Affect Energy Supply, Distribution, or Use

This action is not subject to Executive Order 13211 (66 FR 28355, May 22, 2001) because it is not a significant regulatory action under Executive Order 12866.

I. National Technology Transfer and Advancement Act

Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (“NTTAA”), Public Law 104–113, 12(d) (15 U.S.C. 272 note) directs the EPA to use voluntary consensus standards in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) that are developed or adopted by voluntary consensus standards bodies. NTTAA directs the EPA to provide Congress, through OMB, explanations when the Agency decides not to use available and applicable voluntary consensus standards. The EPA believes that this action is not subject to requirements of section 12(d) of NTTAA because application of those requirements would be inconsistent with the Clean Air Act.

J. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Population

The state did not evaluate environmental justice considerations as part of its SIP submittal. There is no information in the record inconsistent with the stated goals of Executive Order 12898 of achieving environmental justice for people of color, low-income populations, and indigenous peoples.

K. Submission to Congress and the Comptroller General

The Congressional Review Act, 5 U.S.C. section 801 *et seq.*, as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. The EPA will submit a report containing this action and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United

States prior to publication of the rule in the ***Federal Register***. A major rule cannot take effect until 60 days after it is published in the ***Federal Register***. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

L. Petitions for Judicial Review

Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2).)

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen dioxide, Ozone, Reporting and recordkeeping requirements, Volatile organic compounds.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: September 16, 2022.

Martha Guzman Aceves,
Regional Administrator,
Region IX.

Chapter I, title 40 of the Code of Federal Regulations is amended as follows:

PART 52 - APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

1. The authority citation for Part 52 continues to read as follows:

Authority: 42 U.S.C. 7401 *et seq.*

Subpart F - California

2. Section 52.220 is amended by:

- a. Adding paragraph (c)(496)(ii)(B)(5);
- b. Revising paragraph (c)(514)(ii)(A)(2); and
- c. Adding paragraph (c)(514)(ii)(A)(11).

The additions and revision read as follows:

§ 52.220 Identification of plan—in part.

* * * * *

(c) * * *

(496) * * *

(ii) * * *

(B) * * *

(5) Previously approved on March 25, 2019, in paragraph (c)(496)(ii)(B)(4) of this section and now deleted without replacement, subchapter 6.4 (“Contingency for Attainment”) of the “2016 Ozone Plan for 2008 8-Hour Ozone Standard,” adopted June 16, 2016.

* * * * *

(514) * * *

(ii) * * *

(A) * * *

(2) 2018 Updates to the California State Implementation Plan, adopted on October 25, 2018, chapter VIII (“SIP Elements for the San Joaquin Valley”), chapter X (“Contingency Measures”) for implementation in San Joaquin Valley for the 2008 ozone standard, and Appendix A

(“Nonattainment Area Inventories”), pages A-1, A-2 and A-27 through A-30, only.

* * * * *

(11) Previously approved on March 25, 2019 in paragraph (c)(514)(ii)(A)(2) of this section and now deleted without replacement, subchapter VIII.D (“Contingency Measures”) of chapter VIII (“SIP Elements for the San Joaquin Valley”) of the “2018 Updates to the California State Implementation Plan,” adopted on October 25, 2018.

* * * * *

3. Section 52.237 is amended by adding paragraph (a)(13) to read as follows:

§ 52.237 Part D disapproval.

(a) * * *

(13) The contingency measures element of the “2016 Ozone Plan for 2008 8-Hour Ozone Standard,” adopted June 16, 2016, as modified by the “2018 Updates to the California State Implementation Plan,” adopted October 25, 2018, for San Joaquin Valley with respect to the 2008 ozone NAAQS, with the exception of CARB’s Enhanced Enforcement Activities Program measure.

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§ 52.248 [Amended]

4. Section 52.248 is amended by removing and reserving paragraph (g).

[FR Doc. 2022-20583 Filed: 9/30/2022 8:45 am; Publication Date: 10/3/2022]